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SIPDIS

HQ SOUTHCOM ALSO FOR POLAD TREASURY FOR MMALLOY COMMERCE FOR 4431/MAC/WH/MCAMERON

E.O. 12958: DECL: 01/01/2018

TAGS: EAIR ECON PGOV MARR VE ASEC

SUBJECT: VENEZUELA FORMALLY REJECTS TSA AIRPORT SECURITY

INSPECTIONS

REF: A. CARACAS 822 ¶B. CARACAS 583

Classified By: Economic Counselor Darnall Steuart for reasons 1.4 (b) and (d).

- 11. (C) SUMMARY: Since late 2006, Post has attempted to obtain an official response to TSA's request for airport inspections in Venezuela. Following four diplomatic notes, a letter from the current Ambassador, and multiple meetings over the years, the response finally arrived on August 7. Post received diplomatic note number 487 from the Venezuelan Ministry of Popular Power for Foreign Relations (MRE) dated August 5 refusing TSA's request for airport inspections. MRE's decision to deliver the diplomatic note this week after nearly two years of delays may be the beginning of a series of retaliatory acts in response to the USG decision not to authorize additional routes for a Venezuelan airline in the absence of airport inspections. END SUMMARY.
- 12. (C) This week the Venezuelan airline Santa Barbara learned the U.S. Transportation and Security Administration (TSA) would not recommend that the U.S. Department of Transportation (DOT) approve Santa Barbara's request for additional routes to the U.S. due to Venezuela's failure to allow TSA inspections. On August 5, Santa Barbara's President informed post that he had met with the President of INAC to discuss the issue. The same day, the MRE signed ${\tt a}$ diplomatic note (see text in para 5) stating that Venezuela's Civil Aviation Authority (INAC) does not consider TSA visits possible at this time. (Note: INAC informed post in May that MRE received the INAC response to TSA visits on May 16. Post spent nearly three months trying to obtain the response from the MRE. End Note.)
- 13. (C) AA headquarters informed their Country Manager Omar Nottaro (strictly protect throughout) that INAC would call in all U.S. carriers with operations in Venezuela to notify them that if Santa Barbara is not allowed to begin service from Maracaibo on August 11, INAC will take immediate retaliatory action. Rumors within the industry suggest the BRV may cut all U.S. carriers to one flight a day. For AA alone, this would mean stranding between 1,300 to 1,500 passengers a day. On August 8, Econ Counselor spoke to Nottaro who stated he has yet to hear anything from INAC but has cleared his schedule for a possible meeting.
- 14. (C) Although INAC is aware its refusal to allow TSA visits will negatively impact Santa Barbara's bottom line, this does not seem to concern them. There are indications the Bolivarian Republic of Venezuela (BRV) seeks to promote its own airline, Conviasa, at the expense of all other airlines

including privately owned Venezuelan carriers such as Santa Barbara (ref A). However, the Santa Barbara route request provides an opening for the BRV to target U.S. carriers which dominate the market. American Airlines (AA) alone generates more revenue with its Venezuelan operations than all of the domestic Venezuelan carriers combined (ref B).

 $\underline{\ \ } {\bf 15.}$ (SBU) BEGIN TEXT OF UNOFFICIAL TRANSLATION OF DIPLOMATIC NOTE NUMBER 487

The Ministry of Popular Power for Foreign Relations, Office of the Vice Ministry of International Relations for North America and Multilateral Affairs, greets the honorable Embassy of the United States of America and takes this opportunity to make reference to the Embassy's request for the visit of a technical team on the part of the Transportation and Security Administration (TSA) to the Maiguetia, Maracaibo, Valencia and Barcelona airports.

The Ministry of Popular Power for Foreign Relations, Office of the Vice Ministry of International Relations for North America and Multilateral Affairs hereby informs you that the National Civil Aviation Authority (INAC) considers the above referenced visit not possible at this time.

The Ministry of Popular Power for Foreign Relations, Office of the Vice Ministry of International Relations for North America and Multilateral Affairs would like to take this opportunity to reiterate to the honorable Embassy of the United States of America assurances of its highest and most distinguished regard.

Caracas, August 5, 2008

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END TEXT DUDDY